

# MANUFACTURING EXTENSION PARTNERSHIP

## Success Stories from the Field

### Breads Unlimited

#### Maryland Technology Extension Service

#### Breads Unlimited Makes Operational Improvements To Prepare For Growth

##### Client Profile:

Breads Unlimited, Inc. is a commercial bakery serving wholesale buyers of specialty breads, rolls, and sweet goods. The company also runs a retail outlet that accounts for approximately 25 percent of annual sales. Headquartered in Bethesda, Maryland, the company divides a workforce of 25 full-time and 15 part-time associates between two plant locations.

##### Situation:

Breads Unlimited is committed to serving the needs of its customers, and has a solid customer base. However, a number of barriers kept the company from growing. The cost of labor was higher than the rate of productivity among employees, and a full-time sales manager was unable to generate new accounts. A recent plant relocation did not provide anticipated increases in performance, and operations were rife with inefficiency and waste in terms of time, equipment utilization, space, and money. The majority of Breads Unlimited's workforce is Hispanic and Asian; language barriers made communicating strategies and improvement goals very difficult.

Breads Unlimited's management team wanted to improve performance, position the company for growth, develop a sales strategy, and operate according to a documented business plan. They asked the Maryland Technology Extension Service (MTES), a NIST MEP network affiliate, to help them achieve these goals.

##### Solution:

MTES assessed Breads Unlimited's operations and surmised that before the company could grow, improvements would have to be made to basic operations. MTES proposed a two-part approach to achieving the company's goals: improving performance and positioning the company for growth, followed by the development of a business plan. Breads Unlimited agreed to the proposal, and MTES began work on step one.

To begin, MTES evaluated the company's existing business model, examined its financial performance data, and conducted a formal assessment of its operations. This analysis produced a set of recommendations, which MTES presented to Breads Unlimited for its consideration.

MTES confirmed management's idea of consolidating all bread production into a single location, and recommended moving the production of sweet goods to the facility housing the main retail outlet. The company would be able to reclaim badly needed production space at its bread production location by closing a

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collocated retail store, changing the layout of the production area, and incorporating point-of-use storage.

To improve operational efficiency and save costs, MTES recommended Breads Unlimited eliminate the sales manager position, reorganize to transfer sales duties to the company's owner, and appoint an operations manager to be responsible for production and distribution at both locations. MTES also suggested training select bilingual employees at each facility to take leadership roles and communicate goals and objectives to the workforce. As an additional action item, MTES urged Breads Unlimited to consider classifying all hourly positions according to a standard wage scale.

Breads Unlimited elected to adopt all of MTES's recommendations and immediately set to work implementing the changes. MTES prepared a draft description of the operations manager position, and provided an announcement for all employees describing upcoming business changes. The company has seen immediate short-term improvements in operations, and is now preparing to embark on step two of its growth plan.

### **Results:**

Eliminated unproductive labor costs.

Consolidated bread production facilities.

Reclaimed more profitable manufacturing space.

Increased electrical service to bread production facility.

Removed unneeded equipment to storage.

Prepared new plant layouts.

Installed additional proofing capacity.

Planned major equipment moves and set transition completion date.

Appointed internal candidate to position of operations manager.

### **Testimonial:**

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